

CONSUMER: Lodging

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**Reasons for this report**

- ✓ Our analysis of the most recent weekly China and Europe lodging results

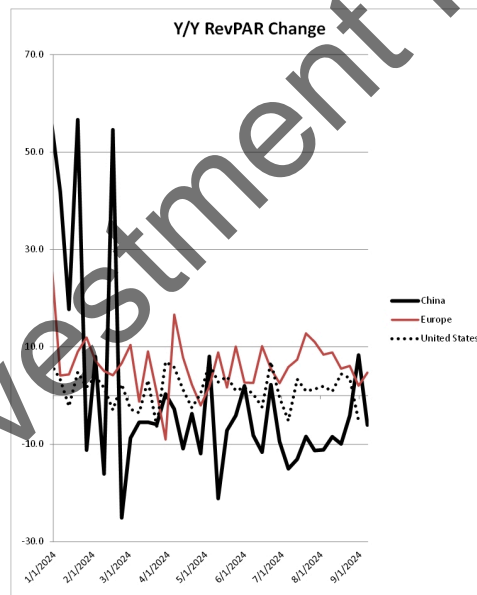
**International hotels' RevPAR last week: China -6.0% y/y, Europe +2.0% y/y.**

**China:** Per STR/CoStar for the week ending September 7th, hotel RevPAR in China in local currency was -6.0% y/y vs. +8.3% y/y in the prior week. Last week's RevPAR was up against a +58.1% y/y comparable result in 2023 vs. +30.7% y/y in the prior week. RevPAR results in China experienced sequential decline following last weeks results which were unusually high due to a **leisure-centric week** (Source: AA Stocks Financial News).

**Europe:** RevPAR in Europe in Euros was +2.0% y/y vs. +6.1% in the prior week. Last week's RevPAR was up against a +3.8% comparable result in 2023 and +8.5% in the prior week.

Overall U.S. RevPAR was -5.2% y/y, below the prior week's result of +3.6% y/y and below the trailing 10-week average of +0.6%.

**Exhibit 1: Y/Y RevPAR Change for China, Europe, US**



Source: STR, Truist Securities Research

**RevPAR detail for week ending September 7th vs. trailing 28 days (see charts at end of note for graphical representations):**

China (local currency):

- RevPAR was -6.0% y/y for the week ending September 7th, **lower than** the -3.8% for the trailing 28 days.
- ADR was -4.4% y/y for the week ending September 7th, **higher than** the -5.7% for the trailing 28 days.
- Occupancy was -1.7% y/y for the week ending September 7th, **lower than** the +2.0% for the trailing 28 days.

## Europe (in Euros):

- RevPAR was +2.0% y/y for the week ending September 7th, **lower than** with the +5.8% for the trailing 28 days.
- ADR was +3.5% y/y for the week ending September 7th, **lower than** with the +4.5% for the trailing 28 days.
- Occupancy was -1.4% y/y for the week ending September 7th, **higher than** the +1.3% for the trailing 28 days.

## EBITDA and rooms exposure by region:

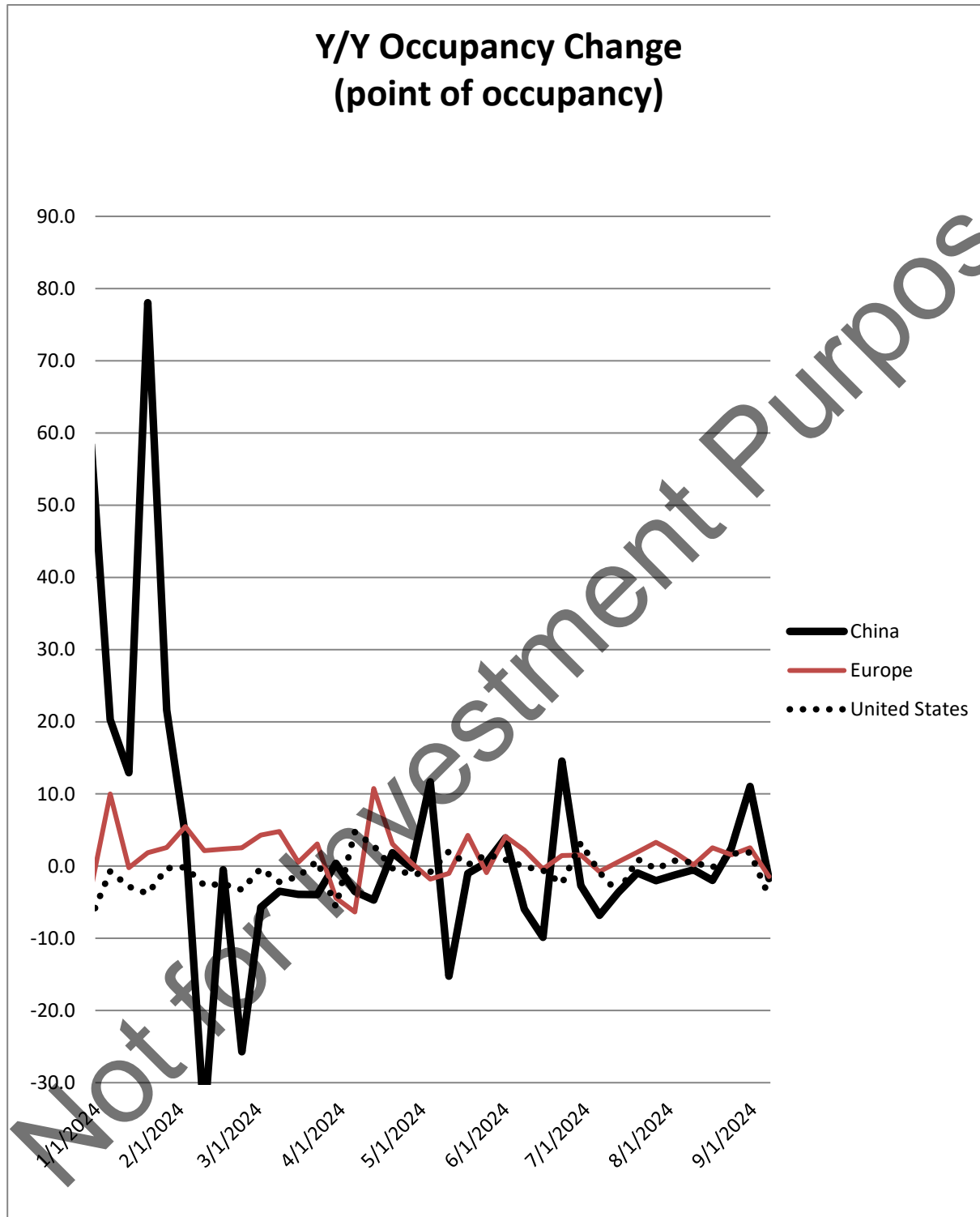
**EBITDA: Hyatt (H, Buy), InterContinental (IHG, NR), and Marriott (MAR, Hold) are among the Lodging C-corps that have the greatest exposure to Europe and Asia.** From Europe, MAR generates approximately 15% of EBITDA, IHG 15%, Wyndham (WH, Buy) less than 5%, H roughly 5%, and Hilton (HLT, Hold) 10% each. Of these companies, H and MAR have the greatest exposure to Asia (~10-20% of EBITDA). HLT is approximately 10%. Each of the other companies generates 5% to 10% of EBITDA from the Asia-Pacific region. Following the Apple Leisure Group acquisition, H has a relatively high ~25% exposure to the Americas ex-US/Canada.

- In a normalized environment, Greater China inclusive of Macau and Hong Kong generally represents half of the Asia-Pacific EBITDA from the C-corps.

## Rooms (as of 4Q23; figures may not round to 100%):

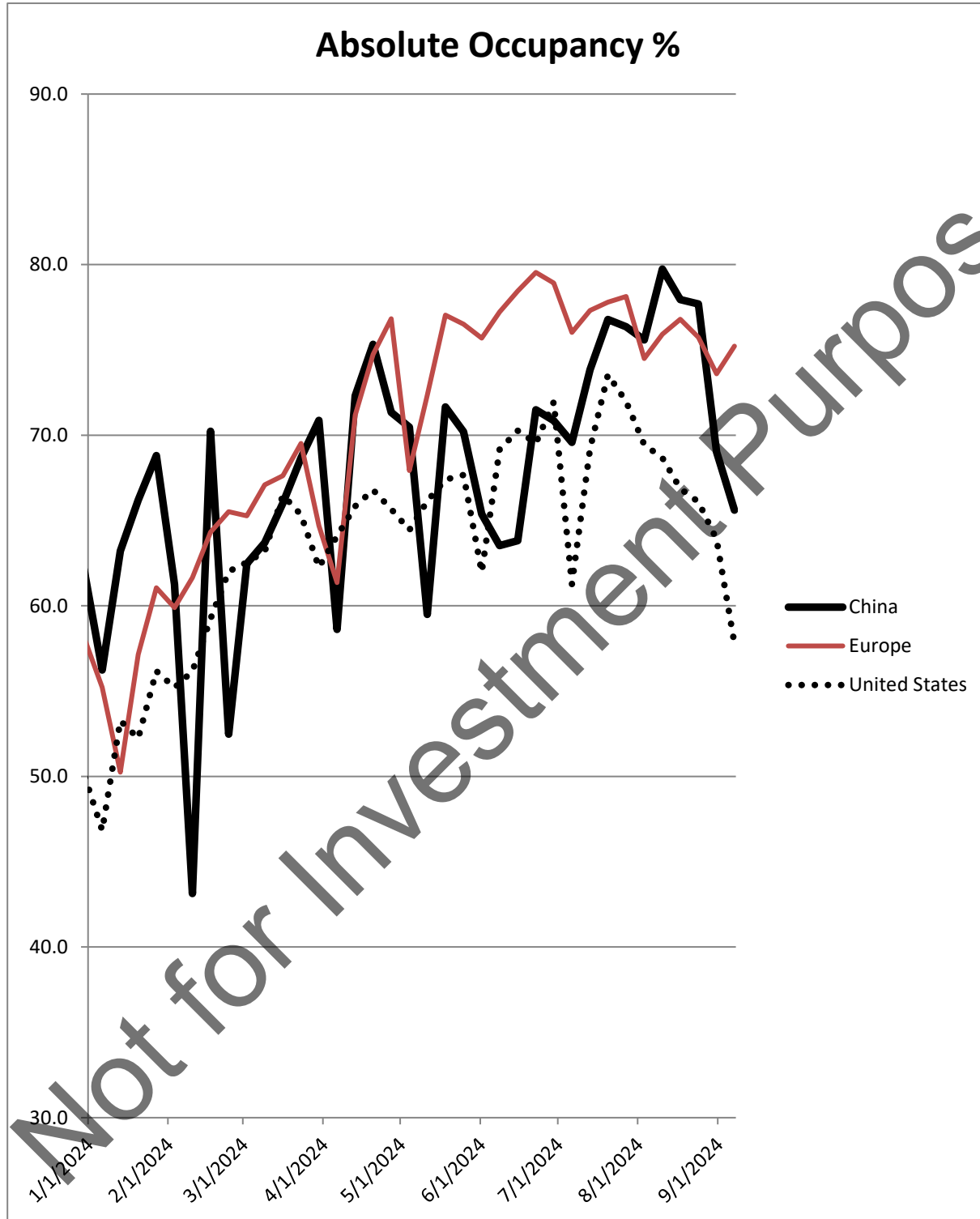
- CHH:
  - Domestic: 79%
  - Asia-Pacific: 4%
  - Europe/Middle East: 9%
  - Latin America & Canada: 9%
- H (includes owned/leased hotels):
  - United States: 49%
  - Americas (ex U.S.): 14%
  - Greater China: 13%
  - Asia Pacific (ex Greater China): 10%
  - Europe: 11%
  - Middle East/Africa: 3%
- HLT:
  - US: 67%
  - Americas: 6%
  - Europe: 9%
  - Middle East/Africa: 3%
  - Asia Pacific: 14%
  - Other hotels, likely to be converted to a brand, with no geography noted: 0.4%
- IHG:
  - Americas: 55%
  - EMEAA: 26%
  - Greater China: 19%
- MAR (ex-timeshare):
  - North America: 62%
  - Europe: 9%
  - Middle East/Africa: 5%
  - Asia Pacific: 18%
  - Caribbean/Latin America ("CALA"): 6%
- WH:
  - US: 57%
  - Canada: 5%
  - Greater China: 20%
  - Rest of Asia: 4%
  - Europe/Middle East/Africa: 10%
  - Latin America: 5%

Exhibit 2: Y/Y Occupancy change for China, Europe, US



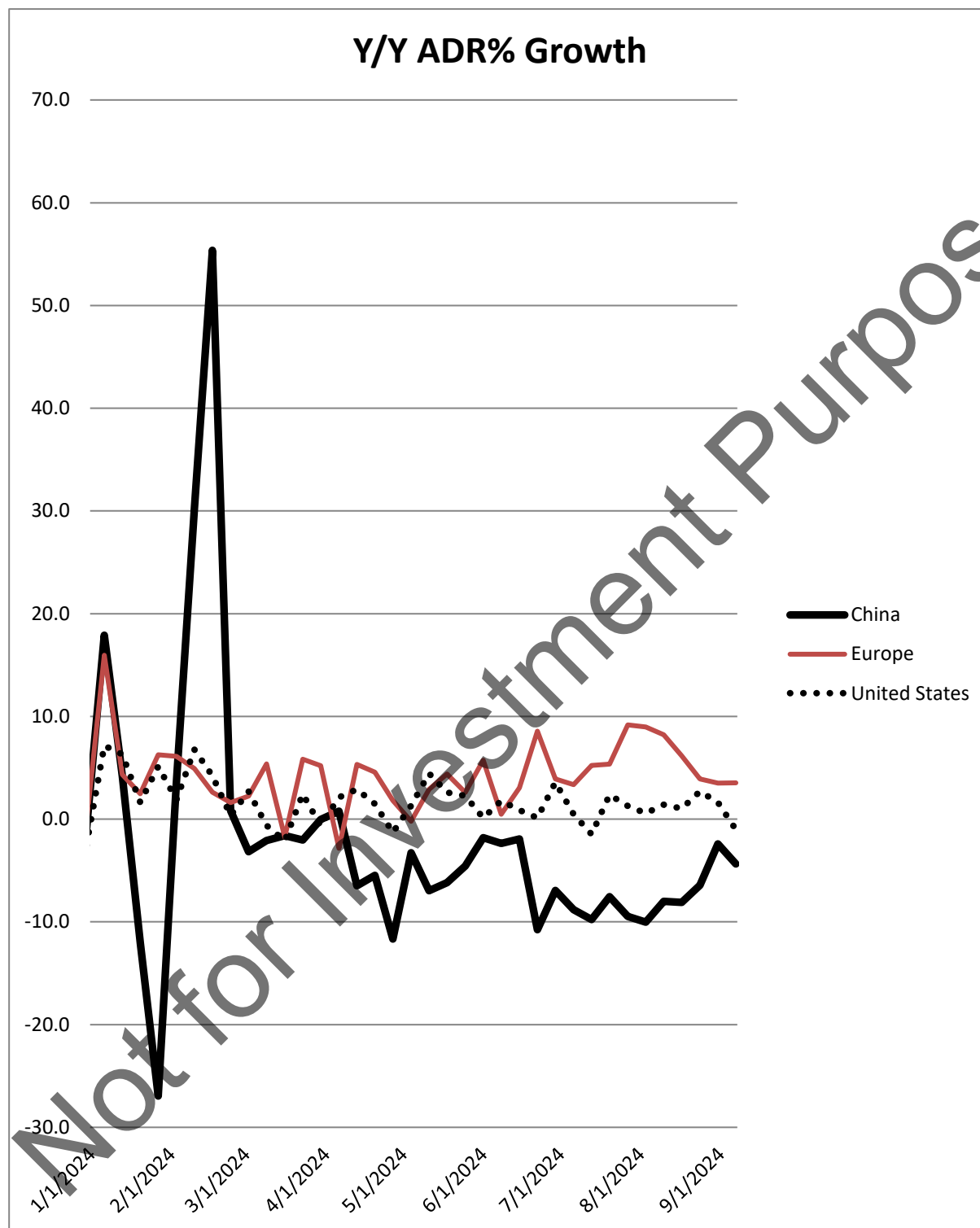
Source: STR, Truist Securities research

Exhibit 3: Absolute Occupancy % for China, Europe, US



Source: STR, Truist Securities research

Exhibit 4: Y/Y ADR % change for China, Europe, US



Source: STR, Truist Securities research

## Companies Mentioned in This Note

**Choice Hotels International, Inc.** (CHH, \$120.98, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$143.18, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$210.65, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$225.67, Hold, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$76.77, Buy, C. Patrick Scholes)  
 InterContinental (IHG, Not Rated)

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